

## Message Text

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ACTION OPIC-12

INFO OCT-01 ARA-16 ISO-00 AID-20 EB-11 XMB-07 COME-00

TRSE-00 AGR-20 L-03 IGA-02 OMB-01 CIAE-00 INR-10

NSAE-00 RSC-01 DRC-01 (ISO) W

----- 001399

R 281235Z MAR 74

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 9511

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FOR OPIC

E.O. 11652: N/A

TAGS: ETRD, EFIN, GY

SUBJECT: NATIONAL MILLING COMPANY (SEABOARD OVERSEAS, LTD.)

REF: (A) STATE 59633 , (B) GEORGETOWN312,

(C) STATE 42407, (D) GEORGETOWN 352

1. IN EFFORT KEEP DOWN BREAD PRICES, GOG SUBSIDIZES ABOUT HALF THE COST OF GUYANA'S FLOUR, MOST OF WHICH PRODUCED FROM U.S. WHEAT BY NATIONAL MILLING COMPANY. LOW LEVEL ITS FOREIGN RESERVES (ABOUT \$12 MILLION) HAS PROMPTED GUYANA TO IMPOSE ADDITIONAL BANS ON IMPORTS AND DELAY SOME FOREIGN PAYMENTS INCLUDING THOSE TO NATIONAL.

2. AT BEGINNING OF MARCH, GOG WAS SIX WEEKS BEHIND IN ITS SUBSIDY PAYMENT TO NATIONAL. MILL'S LOCAL MANAGER THREATENED TO CLOSE DOWN UNLESS PAYMENT IMMEDIATELY FORTHCOMING. MILL WAS IN FACT CLOSED FOR ONE DAY. INTERVENTION BY FORMER AMBASSADOR KING WITH PRIME MINISTER BURNHAM RESULTED IN IMMEDIATE PAYMENT (ABOUT \$1 MILLION) TO NATIONAL. DELAY WAS AS MUCH DUE TO BUREAUCRATIC INEFFICIENCY AS TO SHORTAGE OF RESERVES. (REF D, PARA 6).

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3. NATIONAL HAS HISTORY OF STRAINED RELATIONS WITH GOG.

AMBASSADOR KING INFORMED EMBOFFS THAT SEVERAL YEARS AGO, LABOR DISPUTE AT PLANT LED TO SHUT-DOWN WHICH WAS CHARACTERIZED BY PRESS AS A LOCKOUT. BURNHAM REMARKED TO AMBASSADOR THAT IF DISPUTE NOT RESOLVED HE (BURNHAM) WOULD "TAKE IT OVER". IN SEPTEMBER 1973, LOCAL MANAGER ADVISED EMBASSY THAT HE HAD ORDERS TO CEASE OPERATIONS IF A LONG-PROMISED PRICE INCREASE (GOG CONTROLS THE PRICE OF FLOUR) DID NOT MATERIALIZE. AT THAT TIME AMBASSADOR KING NOTED THAT BURNHAM HAD THREATENED TO NATIONALIZE MILL SHOULD IT CLOSE DOWN.

4. QUESTION IS HOW LONG CAN GOG CONTINUE TO MAKE PAYMENTS WITHOUT SOME FORM OF EXTERNAL ASSISTANCE? SEABOARD HAS APPARENTLY SOUGHT IMPORT CREDITS FOR GUYANA. ITS MOST RECENT ATTEMPT, THROUGH EXIMBANK, FAILED (REF C). ANOTHER LONG DELAY WOULD PROBABLY LEAD NATIONAL TO SHUT DOWN, HENCE EMBASSY'S COMMENT IN REF B. SHERRY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, FLOUR, SUBSIDIES, DEBT REPAYMENTS, RESERVE SHORTAGE, TRADE COMPLAINTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974GEORGE00470  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Film Number:** D740068-0367  
**From:** GEORGETOWN  
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**Image Path:**  
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**Legacy Key:** link1974/newtext/t1974038/aaaaahkl.tel  
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**Office:** ACTION OPIC  
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**Original Handling Restrictions:** n/a  
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**To:** STATE  
**Type:** TE  
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